

Public Consultation on the Draft Climate Reporting Roadmap

A public consultation issued by the External Reporting Board (XRB)

Comments from ACCA to XRB
30 September 2026
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THINK AHEAD

General Comments

ACCA welcomes the opportunity to respond to the Draft Climate Reporting Roadmap issued by the External Reporting Board (XRB). This is a significant step in aligning New Zealand's climate reporting standards with the global baseline, and we commend XRB for it.

In shaping this response, we convened roundtables to gather relevant perspectives from climate scientists, academic experts, consultants, and preparers at different Climate Reporting Entities (CREs). These discussions provided valuable insights which have informed our responses to the consultation questions.

ACCA advocates global alignment on sustainability reporting, including climate reporting. This is the best way to achieve broad comparability on sustainability disclosures, and to foster a robust sustainable finance ecosystem. We welcome XRB's efforts and strategic direction towards aligning New Zealand's climate reporting standards with the IFRS Sustainability Disclosure Standards.

We note the difficult task that the XRB is presented with, having to strike a delicate balance between ensuring that the standard is internationally aligned and, at the same time, caters appropriately to the New Zealand and regional context.

We further welcome the XRB's proposed shift in focus from domestic climate reporting standard setting towards greater engagement at the international level, including with the International Sustainability Standards Board (ISSB) and Asian-Oceanian Standard-Setters Group (AOSSG)'s sustainability working group.

Our detailed responses to the consultation questions are set out below. We have provided our comments on areas which we consider most important or where we have perspectives to add.

Responses to specific consultation questions

Q1. Do you support the strategic direction for climate reporting set out in the draft climate reporting roadmap?

ACCA has consistently advocated for a global approach¹ to the development of principles-based reporting standards which provide a high-quality comprehensive baseline for corporate reporting. We fully support and commend the ISSB's role and continued efforts in setting a consistent and comparable global baseline to sustainability reporting around the world.

While we would prefer full alignment with IFRS S1 and IFRS S2, with minimal modifications, we recognise that XRB does not currently have the mandate to issue general sustainability disclosure standards at the time of writing, and so cannot issue an equivalent of IFRS S1 at this time. In this context, we appreciate the XRB's strategic direction in adopting the IFRS S2 and climate relevant portions of IFRS S1 as an interim measure towards full adoption.

Roundtable participants have also indicated support for XRB's strategic direction towards globally aligned climate disclosure standards.

At the same time, we see a risk that the current approach, if not accompanied by a clear pathway for broader sustainability-related disclosures, could contribute to a more fragmented reporting

¹ ACCA [Principles of good corporate reporting](#)

landscape in New Zealand. In particular, entities for which sustainability-related risks and opportunities beyond climate, for example, nature-related risks, are financially material would not currently have a nationally applicable standard aligned with the international baseline to guide such disclosures. This could affect both comparability between New Zealand entities and comparability with international peers. It may also create a risk that entities interpret the climate-related reporting requirements as limiting the need to consider and disclose other material sustainability-related risks and opportunities.

We therefore encourage the XRB to work closely with the relevant New Zealand authorities and other standard-setting bodies to ensure that the development of the sustainability reporting framework remains coordinated across different sustainability topics. In our view, this should include a clear pathway towards a comprehensive, internationally aligned sustainability reporting framework based on the full suite of IFRS Sustainability Disclosure Standards, including IFRS S1, as the relevant legislative mandate and international standards develop.

Q2. Do you have any further information you consider relevant to our consideration of the benefits and costs of the draft roadmap?

We acknowledge that IFRS S2 requires more detail than NZ CS in several areas. Our roundtable discussions surfaced concerns and challenges, including but not limited to, strategy disclosures relating to climate resilience assessments, and connecting various types of climate-related information with information in the financial statements.

We believe XRB can meaningfully support implementation efforts. In light of this, we suggest a focus on capacity building as part of the efforts to mainstream the new NZ IFRS S2 standard in our response to question 9.

Q4. From a CRE perspective, should any of the IFRS S2 requirements (or incorporated climate-relevant portions of IFRS S1) be removed or changed?

We do not recommend removing or changing any of the IFRS S2 requirements (or incorporated climate-relevant portions of IFRS S1) as this would deviate from the global baseline, limiting comparability. We note that there are proportionality provisions within both IFRS S1 and IFRS S2 that will allow CREs to scale their effort and level of detail in disclosures to their circumstances.

As different CREs may be at different stages of their respective reporting journeys, the XRB could consider a phased implementation approach that avails targeted disclosure reliefs for a specified timeframe. CREs stand to benefit through a continual improvement approach in implementing globally consistent standards, with a view to producing high quality disclosures that go beyond compliance towards sustainable value creation.

Q5. What are your views on the Australian harmonisation options for industry-based disclosures?

We believe it is important that standard-setters maintain consistent wording, terminology and guidance across requirements to support consistency, comparability, and minimise divergence in practice. Therefore, we do not support the proposed options set out in paragraph 6.3.1 of the consultation document. Instead, we recommend the XRB engages closely with the ISSB and Australia's AASB to support development of the IFRS S2 industry-based disclosure requirements

and updating of the SASB Standards to enhance their global applicability, taking into consideration the New Zealand context.

Our roundtable discussions favoured global comparability over Australian harmonisation on industry-based disclosures.

Q8. Do you support the proposed implementation timeline?

We note the proposed generous timeline which should in principle ease the transition to NZ IFRS S2. However, we propose a shorter lead time – with an effective date of say, 36 months after the date of issuance of the standard – with early application permitted. Roundtable discussions were in favour of a shorter lead time.

While IFRS S2 may require more detailed disclosures than NZ CS in several areas, both NZ CS and IFRS S2 – to be adopted as NZ IFRS S2 – are based on the TCFD framework. As such, New Zealand preparers are intimately familiar with the conceptual basis for NZ IFRS S2 – as acknowledged in section 7.3 of the consultation documents – and are well placed to make the transition from NZ CS in a shorter time frame.

Further, an extended transition period is not without drawbacks. We explore two of these:

- (a) **Limited comparability during the transition period:** The proposed transition period of seven years is quite lengthy. This will result in an extended timeframe during which early adopters can apply NZ IFRS S2, while other CREs report on current NZ CS. There is a risk that, for an extended time, there will effectively be a two-tier reporting system in the New Zealand market (NZ CS and NZ IFRS S2) which may inadvertently compromise comparability for users of the climate disclosures.
- (b) **Extended transition period may not motivate preparation for NZ IFRS S2:** We note that an extended transition may not motivate CREs to prepare for NZ IFRS S2 as quickly as a shorter period. This is because the market wide benefits of having NZ IFRS S2 are further into the future, hence there is less urgency to act quickly. Having an imminent timeline motivates preparatory action, as evidenced in ACCA's Track your progress survey² which found that most respondents (71%) placed regulatory compliance in their top three reasons for creating/using sustainability information.

Q9. Do you have any other comments?

Participants in our roundtable sessions expressed the need for a focus on capacity building to support robust climate disclosures under NZ IFRS S2. We share some (non-exhaustive) options for this which XRB may consider facilitating.

- (a) **Source data provision and training support:** XRB could facilitate making general data available to preparers and provide training on how to leverage it to prepare certain climate disclosures. This could be done in collaboration with public offices with oversight for relevant datasets. As a capacity building measure, this intervention would be especially helpful as climate disclosures often require a combination of general data and organisational data to prepare.
- (b) **Cross-collaborative platforms:** Peer-to-peer collaboration and closed room discussions within and across functions, industries and sectors are examples of cross-collaborative platforms through which organisations may co-create and learn from each other's experiences. Policymakers, professional bodies, and industry associations can work

² ACCA [Sustainability reporting: Track your progress to create decision-useful information](#)

together to facilitate such platforms. ACCA's Policy and Insights resources cover several themes that are relevant to preparing sustainability disclosures, including climate disclosures. These themes include connectivity in reporting³, considerations for preparing sustainability reports⁴, and reporting readiness⁵.

We recognise that XRB is engaged in capacity building endeavours in different forms. We commend these efforts and hope these suggestions help to create the capacity needed to prepare climate disclosures under NZ IFRS S2.

³ ACCA [Making information connections for sustainable value creation](#)

⁴ ACCA [Sustainability reporting: The guide to preparation](#)

⁵ ACCA [Sustainability reporting: Track your progress to create decision-useful information](#)